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SOURCE Chinese newspapers as indicated.

HONG KONG STEEL PLANTS SURVEYED;
PLASTICS INDUSTRY GROWING

PRODUCE 3,000 TONS MONTHLY -- Kung-shang Jih-pao, 12 May 49

Present monthly steel production from the various steel plants in Hong Kong is said to be about 3,000 tons. The products, steel rods and machinery parts, are used in building trades in Hong Kong or shipped to the southern islands.

Rumors that the Lu-ho-kou Steel Plant, the only one of its kind which existed in Hong Kong before the war and which closed after the war, would resume operation by 1 April 1949 have proved erroneous. The plant's 2-ton capacity smelter furnace, largest in Hong Kong, was recently moved to Hsia-tsun at Kuang-chou (Canton), but it is doubtful whether it will be put to use because of shortages of coal and electricity in that city.

Some of the equipment now used by other steel plants of Hong Kong was recently returned from Japan, having been removed by the Japanese during the war.

SECOND PLASTIC PLANT OPENED -- Hua-shang Pao, 12 May 49

The second plastics plant in Hong Kong was recently opened. At present, it is concentrating on the production of combs, clothes pins, and other household articles, with a monthly output of several tens of thousands of pounds. Plans are being made to expand production of other commodities.

Only one of the three sets of machinery is now in operation, but the remaining two are soon to be put to use. Extensive research is now being conducted to improve the quality of the products so as to compete with European and American goods.

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This industry is a newcomer to Hong Kong industry. It was first started about 2 years ago and as a result its sales extend only to the port and the southern islands. With the early arrival of peace, the future of this industry is assured if markets on the mainland of China are opened.

It is said that another plastics plant is moving from Shang-hai to Chiu-lung (Kowloon).

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